

PATENT

**Amendments to the Specification:**

Please add the following paragraph on page 1, line 3, immediately following the title:

**CROSS REFERENCE TO RELATED APPLICATIONS**

This is a continuation of U.S. Patent Application No. 10/393,458 filed March 19, 2003, now U.S. Patent No. a,bbb,ccc, which is a continuation of U.S. Patent Application No. 09/201,272, filed November 30, 1998, now U.S. Patent No. 6,563,953, the disclosures of which are hereby incorporated by reference.

Please replace the paragraph beginning at page 11, line 21 with the following paragraph:

Once the combined MBCBPCY is formed, the combined parameter is looked up in a variable length coding table to find a corresponding variable length code associated with the parameter as shown in step 104. The encoder assigns a single variable length code to the combined parameter ~~MBCPCY~~ MBCBPCY.

Replace the paragraph beginning at page 17, line 11 with the following paragraph:

To give a specific example, Fig. 7 shows values of the coded block pattern parameters for each of the blocks within the dashed line of Fig. 6. The reference numbers 130b, 132b, 134b and 136b correspond to the blocks 130a, 132a, 134a and 136a of Fig. 6, respectively. The spatial gradients of the neighboring coded blocks parameters are used to select the predictor. In particular, the vertical gradient is computed from the coded block parameters of the top-left and left neighboring blocks (136a, 132a, shown circled 140 in Fig. 7). The horizontal gradient is computed from the coded block parameters of the top-left and top neighboring blocks (136a, ~~130a~~ 134a, shown circled 142 in Fig. 7).